



MATATIELE

LOCAL MUNICIPALITY

Annual Financial Statements
for the year ended 30 June 2017

General Information

Mayoral committee

Mayor	M M Mbedla	(01/07/2016 - Current)
Speaker	N Mshuqwana	(23/08/2016 - Current)
Speaker	J Bosman-Magangana	(01/07/2016 - 02/08/2016)
Chief Whip	S Mngenela	(23/08/2016 - Current)
Chief Whip	P A Mohale	(01/07/2016 - 02/08/2016)
Portfolio Head: Budget and Treasury	N Ngwanya	(23/08/2016 - Current)
Portfolio Head: Budget and Treasury	P M Stuurman	(01/07/2016 - 02/08/2016)
Portfolio Head: Economic Development	N A Nkukhu	(01/07/2016 - Current)
Portfolio Head: Community Services	S Maphasa	(23/08/2016 - Current)
Portfolio Head: Community Services	M M Mboobo	(01/07/2016 - 02/08/2016)
Portfolio Head: Infrastructure Services	M Setenane	(23/08/2016 - Current)
Portfolio Head: Infrastructure Services	S Mngenela	(01/07/2016 - 02/08/2016)
Portfolio Head: Special Programmes	S Mzozoyana	(23/08/2016 - Current)
Portfolio Head: Special Programmes	N Ngwanya	(01/07/2016 - 02/08/2016)
Portfolio Head: Corporate Services	T Dyantyi	(23/08/2016 - Current)
Portfolio Head: Corporate Services	N Mshuqwana	(01/07/2016 - 02/08/2016)
EXCO Member	K C Biggs	(01/07/2016 - Current)
EXCO Member	W C Mdolomba	(23/08/2016 - Current)
EXCO Member	M S Booi	(23/08/2016 - Current)
EXCO Member	T S Maqhashalala	(01/07/2016 - 02/08/2016)
Chairperson: MPAC	S Baba	(23/08/2016 - Current)
Chairperson: MPAC	T V Mongoato	(01/07/2016 - 02/08/2016)
Chairperson: Public Participation	M Motloli	(01/07/2016 - Current)
Chairperson: Womens Caucus	N Maketela	(01/07/2016 - Current)

Members of the council

Member	F P Libaziso	(23/08/2016 - Current)
Member	M J Mtoto	(23/08/2016 - Current)
Member	N P Xaki	(23/08/2016 - Current)
Member	T P Likobela	(23/08/2016 - Current)
Member	S Vikwa	(23/08/2016 - Current)
Member	N C Sithole	(01/07/2016 - Current)
Member	P T Hloele	(01/07/2016 - Current)
Member	N I Makhube	(23/08/2016 - Current)
Member	C N Sambane	(01/07/2016 - Current)
Member	N I Mpopo	(23/08/2016 - Current)
Member	F Shale	(23/08/2016 - Current)
Member	L E Nkamba	(23/08/2016 - Current)
Member	X Mnconywa	(23/08/2016 - Current)
Member	Z P Bono	(01/07/2016 - Current)
Member	J G van Wyhe	(23/08/2016 - Current)
Member	C L Nxesi	(01/07/2016 - Current)
Member	H M Mdingi	(23/08/2016 - Current)
Member	K E Sephuhle	(01/07/2016 - Current)
Member	N N Paula	(01/07/2016 - Current)
Member	T L Mohoto	(23/08/2016 - Current)
Member	W K Leballo	(23/08/2016 - Current)
Member	N B Nkomo	(01/07/2016 - Current)
Member	P A Mohale	(01/07/2016 - Current)

General Information

Member	I N Maketela	(01/07/2016 - Current)
Member	L E Stuurman	(01/07/2016 - Current)
Member	N R Ludidi-Mzonke	(01/07/2016 - Current)
Member	N Mosebetsane	(23/08/2016 - Current)
Member	N A Ganya	(23/08/2016 - Current)
Member	N Njobe	(01/07/2016 - Current)
Member	S N Mgolombane	(01/07/2016 - Current)
Member	T C Mshuqwana-Galo	(23/08/2016 - Current)
Member	T Molefe	(23/08/2016 - Current)
Member	T F Mohatla	(23/08/2016 - Current)
Member	T L Mothapa	(23/08/2016 - Current)
Member	W B Potwana	(01/07/2016 - Current)
Member	M C Setenane	(01/07/2016 - Current)
Member	J Mabula	(23/08/2016 - Current)
Member	M Lebesse	(01/07/2016 - 02/08/2016)
Member	K B Pakkies	(01/07/2016 - 02/08/2016)
Member	S A Ndlela	(01/07/2016 - 02/08/2016)
Member	J T Tshabalala	(01/07/2016 - 02/08/2016)
Member	P C Ntsolo	(01/07/2016 - 02/08/2016)
Member	S Baba	(01/07/2016 - 02/08/2016)
Member	S M Mzozoyana	(01/07/2016 - 02/08/2016)
Member	N N Ndukwana	(01/07/2016 - 02/08/2016)
Member	T Dyantyi	(01/07/2016 - 02/08/2016)
Member	T A Mhlongo	(01/07/2016 - 02/08/2016)
Member	S Mavuka	(01/07/2016 - 02/08/2016)
Member	R T Mnika	(01/07/2016 - 02/08/2016)
Member	S B Macuphe	(01/07/2016 - 02/08/2016)
Member	M Tsoloane	(01/07/2016 - 02/08/2016)
Member	P G Muir	(01/07/2016 - 02/08/2016)
Member	A M Saliwavikwa	(01/07/2016 - 02/08/2016)
Member	S A Sello	(01/07/2016 - 02/08/2016)
Member	V M Mlandu	(01/07/2016 - 02/08/2016)
Member	J Z Munyu	(01/07/2016 - 02/08/2016)
Member	V C Sigalelana	(01/07/2016 - 02/08/2016)
Member	K B Makholwa	(01/07/2016 - 02/08/2016)
Member	N E Kotelana	(01/07/2016 - 02/08/2016)
Member	P T Motjope	(01/07/2016 - 02/08/2016)

Municipal Manager Mr M Somi (Acting)

Audit committee members	T W Tsabo	Chairperson
	B Mdletshe	Member
	W Mushohwe	Member
	A Martinson	Member
	M Nciki	Member

Grading of local authority 3

Chief Finance Officer (CFO) Mr L. Ndzelu

Registered office 102 Main Street
Matatiele

General Information

	4730
Physical address	102 Main Street Matatiele 4730
Postal address	P.O. Box 35 Matatiele 4730
Bankers	Nedbank
Auditors	Auditor General of South Africa
Tel Number	039 737 3135
Fax Number	039 737 3611

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Accounting Officer's Responsibilities and Approval

I am responsible for the preparation of these Annual financial statements, which are set out on pages 5 to 68 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality. I certify that the salaries, allowances and benefits of Councillors as disclosed in note 29 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr M Somi
Accounting Officer (Acting)

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Current Assets			
Inventories	2	762 874	965 648
Receivables from non-exchange transactions	3	1 191 474	2 973 495
VAT receivable	4	5 903 089	7 678 846
Prepayments	5	-	859 291
Trade receivables	6	48 713 265	31 723 845
Cash and cash equivalents	7	72 038 196	48 410 554
		128 608 898	92 611 679
Non-Current Assets			
Investment property	8	21 367 900	21 614 400
Property, plant and equipment	9	789 717 196	682 279 644
Intangible assets	10	2 611 582	420 740
		813 696 678	704 314 784
Total Assets		942 305 576	796 926 463
Liabilities			
Current Liabilities			
Finance lease obligation	11	187 225	-
Payables from exchange transactions	12	28 182 539	29 785 175
Consumer deposits	13	282 166	278 959
Unspent conditional grants and receipts	14	3 176 826	4 030 357
Provisions	15	1 184 832	1 178 595
		33 013 588	35 273 086
Non-Current Liabilities			
Finance lease obligation	11	239 190	-
Employee benefit obligation	16	10 492 844	10 789 296
Provisions	15	14 556 051	13 652 888
		25 288 085	24 442 184
Total Liabilities		58 301 673	59 715 270
Net Assets		884 003 903	737 211 193
Reserves			
Revaluation reserve	17	87 085 310	89 919 413
Accumulated surplus		796 918 593	647 291 780
Total Net Assets		884 003 903	737 211 193

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Revenue			
Revenue from exchange transactions			
Service charges	19	56 151 228	54 644 655
Rental of facilities and equipment	20	710 213	587 861
Licences and permits	21	2 106 074	2 394 906
Other income	22	5 551 503	1 868 081
Interest received - investment	23	14 266 232	9 672 003
Total revenue from exchange transactions		78 785 250	69 167 506
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	25 919 327	24 193 575
Transfer revenue			
Government grants & subsidies	25	313 779 565	264 756 645
Public contributions and donations	26	39 000	30 000
Fine receipts	27	2 251 410	2 737 103
Total revenue from non-exchange transactions		341 989 302	291 717 323
Total revenue	18	420 774 552	360 884 829
Expenditure			
Employee related costs	28	(83 228 736)	(80 676 155)
Remuneration of councillors	29	(16 893 960)	(16 496 927)
Remuneration of traditional leaders	30	(432 670)	(378 000)
Landfill site provision contribution	15	(597 165)	(565 849)
Depreciation and amortisation	31	(25 078 571)	(22 849 678)
Finance costs	32	(40 986)	(5 439)
Debt Impairment	33	(1 939 064)	(6 682 271)
Repairs and maintenance	34	(11 722 892)	(11 290 120)
Bulk purchases	35	(36 713 653)	(34 110 668)
Contracted services	36	(22 496 020)	(15 099 373)
Conditional grants - Operating expenditure	37	(20 222 953)	(18 516 711)
General Expenses	38	(54 452 877)	(54 159 401)
Total expenditure		(273 819 547)	(260 830 592)
Operating surplus		146 955 005	100 054 237
Loss on disposal of assets and liabilities		(208 252)	(285 707)
Surplus for the year		146 746 753	99 768 530

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2015	92 755 710	544 675 103	637 430 813
Changes in net assets			
Surplus for the year	-	99 768 530	99 768 530
Writing off of stale cheques	-	11 850	11 850
Transfer from Revaluation to Accumulated Surplus	(2 836 297)	2 836 297	-
Total changes	(2 836 297)	102 616 677	99 780 380
Balance at 01 July 2016	89 919 413	647 291 780	737 211 193
Changes in net assets			
Surplus for the year	-	146 746 753	146 746 753
Write off of stale cheques	-	45 957	45 957
Transfer from Revaluation to Accumulated Surplus	(2 834 103)	2 834 103	-
Total changes	(2 834 103)	149 626 813	146 792 710
Balance at 30 June 2017	87 085 310	796 918 593	884 003 903
Note(s)	17		

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Receipts			
Fine receipts		2 251 410	3 195 364
Sale of goods and services		70 417 632	88 547 081
Grants		312 926 034	262 981 654
Interest income		14 266 232	9 672 003
Other receipts		6 164 451	4 018 950
		<u>406 025 759</u>	<u>368 415 052</u>
Payments			
Employee costs		(100 555 366)	(97 551 082)
Suppliers		(126 988 078)	(113 049 025)
Finance costs		(33 668)	(5 439)
Other payments		(20 571 386)	(38 717 100)
		<u>(248 148 498)</u>	<u>(249 322 646)</u>
Net cash flows from operating activities	39	<u>157 877 261</u>	<u>119 092 406</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(138 232 256)	(101 503 393)
Proceeds from sale of property, plant and equipment	9	823 384	334 885
Proceeds from sale of investment property	8	375 000	-
Purchase of other intangible assets	10	(2 741 200)	-
Cash receipt for recovery of expenditure on work in progress		5 106 356	-
Net cash flows from investing activities		<u>(134 668 716)</u>	<u>(101 168 508)</u>
Cash flows from financing activities			
Finance lease payments		419 097	-
Net increase/(decrease) in cash and cash equivalents		<u>23 627 642</u>	<u>17 923 896</u>
Cash and cash equivalents at the beginning of the year		48 410 554	30 486 658
Cash and cash equivalents at the end of the year	7	<u>72 038 196</u>	<u>48 410 554</u>

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	57 614 450	-	57 614 450	56 151 228	(1 463 222)	
Rental of facilities and equipment	773 876	-	773 876	710 213	(63 663)	
Licences and permits	3 307 500	-	3 307 500	2 106 074	(1 201 426)	
Other income	2 103 221	34 820	2 138 041	5 551 503	3 413 462	
Interest received - investment	10 264 317	-	10 264 317	14 266 232	4 001 915	
Total revenue from exchange transactions	74 063 364	34 820	74 098 184	78 785 250	4 687 066	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	36 427 412	-	36 427 412	25 919 327	(10 508 085)	
Transfer revenue						
Government grants & subsidies	302 043 000	14 435 575	316 478 575	313 779 565	(2 699 010)	
Public contributions and donations	-	-	-	39 000	39 000	
Profit on sale of assets	15 000	-	15 000	-	(15 000)	
Fine receipts	1 470 000	-	1 470 000	2 251 410	781 410	
Total revenue from non-exchange transactions	339 955 412	14 435 575	354 390 987	341 989 302	(12 401 685)	
Total revenue	414 018 776	14 470 395	428 489 171	420 774 552	(7 714 619)	
Expenditure						
Employee related costs	(95 436 616)	5 285 315	(90 151 301)	(83 228 736)	6 922 565	
Remuneration of councillors	(18 908 383)	1 431 716	(17 476 667)	(16 893 960)	582 707	
Remuneration of traditional leaders	-	-	-	(432 670)	(432 670)	
Landfill site provision contribution	-	-	-	(597 165)	(597 165)	
Depreciation and amortisation	(14 270 000)	(13 009 031)	(27 279 031)	(25 078 571)	2 200 460	
Finance costs	-	-	-	(40 986)	(40 986)	
Debt Impairment	(11 250 000)	7 962 998	(3 287 002)	(1 939 064)	1 347 938	
Repairs and maintenance	(11 242 080)	(557 000)	(11 799 080)	(11 722 892)	76 188	
Bulk purchases	(39 100 000)	2 349 999	(36 750 001)	(36 713 653)	36 348	
Contracted Services	(24 408 000)	(114 296)	(24 522 296)	(22 496 020)	2 026 276	
Transfers and Subsidies	(19 115 600)	(3 929 041)	(23 044 641)	(20 222 953)	2 821 688	
General Expenses	(55 619 414)	(3 385 823)	(59 005 237)	(54 452 877)	4 552 360	
Total expenditure	(289 350 093)	(3 965 163)	(293 315 256)	(273 819 547)	19 495 709	
Operating surplus	124 668 683	10 505 232	135 173 915	146 955 005	11 781 090	
Loss on disposal of assets and liabilities	-	-	-	(208 252)	(208 252)	
Surplus before taxation	124 668 683	10 505 232	135 173 915	146 746 753	11 572 838	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	124 668 683	10 505 232	135 173 915	146 746 753	11 572 838	
Reconciliation						

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2017											
Financial Performance											
Property rates	36 427 412	-	36 427 412	-		36 427 412	25 919 327		(10 508 085)	71 %	71 %
Service charges	57 614 450	-	57 614 450	-		57 614 450	56 151 228		(1 463 222)	97 %	97 %
Investment revenue	10 264 317	-	10 264 317	-		10 264 317	7 060 637		(3 203 680)	69 %	69 %
Transfers recognised - operational	302 043 000	14 435 575	316 478 575	-		316 478 575	313 779 565		(2 699 010)	99 %	104 %
Other own revenue	7 669 597	34 820	7 704 417	-		7 704 417	17 863 795		10 159 378	232 %	233 %
Total revenue (excluding capital transfers and contributions)	414 018 776	14 470 395	428 489 171	-		428 489 171	420 774 552		(7 714 619)	98 %	102 %
Employee costs	(95 436 616)	5 285 315	(90 151 301)	-	-	(90 151 301)	(83 228 736)	-	6 922 565	92 %	87 %
Remuneration of councillors	(18 908 383)	1 431 716	(17 476 667)	-	-	(17 476 667)	(16 893 960)	-	582 707	97 %	89 %
Debt impairment	(11 250 000)	7 962 998	(3 287 002)			(3 287 002)	(1 939 064)	-	1 347 938	59 %	17 %
Depreciation and asset impairment	(14 270 000)	(13 009 031)	(27 279 031)			(27 279 031)	(25 078 571)	-	2 200 460	92 %	176 %
Finance charges	-	-	-	-	-	-	(40 986)	-	(40 986)	DIV/0 %	DIV/0 %
Materials and bulk purchases	(39 100 000)	2 349 999	(36 750 001)	-	-	(36 750 001)	(36 713 653)	-	36 348	100 %	94 %
Transfers and grants	(19 115 600)	(3 929 041)	(23 044 641)	-	-	(23 044 641)	(20 222 953)	-	2 821 688	88 %	106 %
Other expenditure	(91 269 494)	(576 119)	(91 845 613)	-	(3 481 000)	(95 326 613)	(89 701 624)	-	5 624 989	94 %	98 %
Total expenditure	(289 350 093)	(484 163)	(289 834 256)	-	(3 481 000)	(293 315 256)	(273 819 547)	-	19 495 709	93 %	95 %
Surplus/(Deficit)	124 668 683	13 986 232	138 654 915	-		135 173 915	146 955 005		11 781 090	109 %	118 %

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	(124 661 400)	(10 506 754)	(135 168 154)	-		(135 168 154)	(134 661 400)		506 754	100 %	108 %
Surplus (Deficit) after capital transfers and contributions	7 283	3 479 478	3 486 761	-		5 761	12 293 605		12 287 844 213 394	%168 799	%
Surplus/(Deficit) for the year	7 283	3 479 478	3 486 761	-		5 761	12 293 605		12 287 844 213 394	%168 799	%
Capital expenditure and funds sources											
Sources of capital funds											
Transfers recognised - capital	124 661 400	10 506 754	135 168 154	-		135 168 154	121 730 454		(13 437 700)	90 %	98 %
Internally generated funds	29 385 154	840 000	30 225 154	-		30 225 154	18 678 531		(11 546 623)	62 %	64 %
Total sources of capital funds	154 046 554	11 346 754	165 393 308	-		165 393 308	140 408 985		(24 984 323)	85 %	91 %

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

Comparative Information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality.

GRAP 20 Related Party Disclosures

GRAP 32 Service Concession Arrangements: Grantor

GRAP 108 Statutory Receivables

IGRAP 17 Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

GRAP 109 Accounting by Principals and Agents

Adoption of these standards will have no material impact on future financial periods.

The following GRAP standard has been approved but is not required to be applied:

GRAP 18 Segment Reporting

Critical judgments, estimations and assumptions

In preparing the annual financial statements, management is required to make estimates and assumptions that impact on the municipality financial statements once implemented. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, as well as land with no determinable future use:

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Accounting Policies

1.3 Investment property (continued)

Subsequent measurement

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management .

The residual value of property, plant and equipment has been determined using historical data and market conditions. A base level of 20 percent is applied except where specific assets are deemed to vary significantly from this estimate.

SUBSEQUENT MEASUREMENT

The following categories of Property, plant and equipment are carried at the revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses:

- Land and Buildings
- Infrastructure
- Community Assets

The following categories of Property, plant and equipment are carried on the cost model, being the cost less accumulated depreciation and any impairment losses:

Accounting Policies

1.4 Property, plant and equipment (continued)

- Other property, plant and equipment
- Capital under construction.

Capital under construction is not depreciated as the asset has not been brought into use yet. Land is not depreciated as it is deemed to have an indefinite useful life.

Revaluations are made every 5 years such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

DEPRECIATION

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Land is not depreciated as it is regarded as having an indefinite life. Depreciation on assets other than land is calculated on cost or revalued amount, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year end:

Infrastructure:	Years	Community:	Years	Other:	Years
Roads and Paving	10-30	Improvements	25-30	Buildings	30
Electricity	20-30	Recreational facilities	15-20	Specialist vehicles	10
Water	15-20	Security	03-05	Other vehicles	05-10
Sewerage	15-20	Components:		Office equipment	03-07
Landfill Sites	10-65	Doors & Iron	08-15	Furniture and fittings	07-10
Housing	30	Doors & Iron(extensive)	15-30	Watercraft	15
Pedestrian Malls	20	Fittings	05-15	Bins and containers	05-10
		Fittings and fixtures	15-30	Specialised equipment	10-15
		Windows & glazing	08-15	Other plant and equip	02-15
		Windows & glazing (extensive)	15-30	External wall	20-30
		External roof structure/covering	15-35	Floor structure	20-40
		Floor finish	05-15	Wall painting	05-10
		Wall structure (internal)	20-50	Drainage	10-30
		Electrical	10-30	Plumbing	10-30

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Accounting Policies

1.4 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Computer software, other	3-5 years
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SUBSEQUENT MEASUREMENT

Intangible assets are subsequently measured at cost less accumulated amortisation

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

Accounting Policies

1.5 Intangible assets (continued)

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised

1.6 Financial instruments

Initial recognition and measurement

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Subsequent measurement

Financial instruments are classified as financial instruments at fair value through profit or loss where the financial instrument is either held for trading (including derivative instruments) or is designated as at fair value through profit or loss and are carried at fair value with any gains or losses being recognised in profit or loss. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Trade Receivables

Trade and other receivables are classified as loans and receivables and are measured at amortised cost less provision for doubtful debts, which is determined as set out under impairment of assets set out in policy note 1.9. Items with extended terms are initially recorded at the present value of future cash flows and interest received is accounted for over the term until payment is received. Write-downs of these assets are expensed in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value

Investments

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Financial Liabilities

Non-derivative financial liabilities that are not designated on initial recognition as financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest rate method. Items with extended terms are initially recorded at the present value of future cash flows.

Trade Payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Accounting Policies

1.7 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the (FIFO formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash generating assets), the asset is considered impaired & is written down to its recoverable amount or recoverable service amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

Impairment losses on receivables are determined based on specific and objective evidence that assets are impaired and is measured as the difference between the carrying amount of assets and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are recognised in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the profit or loss.

1.10 Derecognition of assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use.

Financial liabilities are derecognised when the relevant obligation has either been discharged, cancelled or has expired.

1.11 Employee costs

These are all costs paid by an employer in exchange for services rendered by an employee. These include employee benefits such as salaries, bonuses, housing allowance, medical and other contributions, which are recognised in the income statement during the period in which the employee renders the related service. Detailed policies can also be noted under the Employee Benefits note.

Accounting Policies

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

All Actuarial gains and losses are recognised immediately in surplus or deficit when they occur.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.14 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Recognition

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and rebates allowed by the entity. Fair value is the amount for which an asset could be exchanged, or a liability, between knowledgeable, willing parties in an arm's length transaction.

Service charges relating to electricity are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.15 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when the fine is issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Government grants

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Unspent conditional grants

For all conditional grants, a corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. The unspent conditional grant liability is disclosed in the Statement of Financial Position.

1.16 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 Change in Accounting Policies, Estimates and Errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of the changes in estimates are disclosed in the notes to the financial statements where applicable.

1.20 Prepayments

The amount is not taken to profit or loss and other comprehensive income as an expense but disclosed as a current asset in the statement of financial position. The expense is only raised when it is incurred.

1.21 Accumulated Surplus

Included in the accumulated surplus is the previous years profits as well as the effects of changes in accounting policies and correction of errors

Accounting Policies

1.22 iGRAP 1 - Probability of revenue

Initial Recognition

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured.

Subsequent measurement

Subsequently, the collectability of the revenue is assessed and an impairment loss is recognised where appropriate

1.23 VAT

The Municipality accounts for Value Added Tax on the payments basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services.

1.24 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016-07-01 to 2017-06-30.

1.25 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.26 Commitments

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. A distinction is made between capital and current commitments. Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

1.27 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Accounting Policies

1.27 Housing development fund (continued)

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The Housing Development Fund is cash-backed, and invested in accordance with the investment policy of the municipality.
- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy, and also for housing development projects approved by the MEC for Human Settlements.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments of the fund is disclosed as interest earned in the Statement of Financial Performance.

1.28 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
2. Inventories		
Consumable stores	760 205	962 979
Medallions - at cost	2 669	2 669
	762 874	965 648

Inventories are held for own use with the result that no write downs of inventory to net realisable value were required.

3. Other receivables from non-exchange transactions

Traffic Fines Debtor	2 410 613	2 238 497
Other Debtors	-	1 669 695
Sundry Debtors - transfer of water services	10 773 857	10 769 471
Housing Debtors	-	10 478
Health Subsidy Control	-	35 519
Interest accrued from investments	319 845	224 206
Sundry Debtors Control	204 720	296 678
Provision for Impairment	(12 517 561)	(12 331 675)
Bonus Recovery Debtor	-	60 626
	1 191 474	2 973 495

Health Subsidy Control relates to expenses incurred by the municipality on an agency basis on behalf of the Provincial Government, a sundry debtor was raised for the agency fees owing by provincial government that will be recovered.

Sundry Debtors relate to Alfred Nzo District Municipality and Sisonke District Municipality for transfer of water services.

4. VAT receivable

VAT	5 903 089	7 678 846
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VAT is declared on the payments basis. Once payment is received from debtors and payments made to creditors, VAT is declared to SARS.

5. Prepayments

SALGA	-	859 291
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6. Trade receivables

Gross balances

Rates from non exchange transactions	56 540 516	40 843 633
Electricity from exchange transactions	7 720 760	6 475 408
Refuse from exchange transactions	12 250 398	10 450 031
	76 511 674	57 769 072

Less: Allowance for impairment

Rates from non exchange transactions	(16 482 907)	(15 784 991)
Electricity from exchange transactions	(1 904 111)	(667 796)
Refuse from exchange transactions	(9 411 391)	(9 592 442)
	(27 798 409)	(26 045 229)

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
6. Trade receivables (continued)		
Net balance		
Rates from non exchange transactions	40 057 609	25 058 642
Electricity from exchange transactions	5 816 649	5 807 612
Refuse from exchange transactions	2 839 007	857 589
	48 713 265	31 723 845
Rates from non exchange transactions		
Current (0 -30 days)	-	242
31 - 60 days	20 948	5 539
61 - 90 days	387 318	257 674
91 - 120 days	338 077	220 696
121 - 365 days	16 629 314	11 161 845
> 365 days	39 164 859	29 197 637
	56 540 516	40 843 633
Electricity from exchange transactions		
Current (0 -30 days)	3 307 313	2 834 701
31 - 60 days	1 590 339	1 110 304
61 - 90 days	267 275	370 980
91 - 120 days	197 884	355 435
121 - 365 days	402 053	739 298
> 365 days	1 955 896	1 064 690
	7 720 760	6 475 408
Refuse from exchange transactions		
31 - 60 days	657 427	626 753
61 - 90 days	416 640	339 905
91 - 120 days	247 374	213 923
121 - 365 days	210 310	191 167
121 - 365 days	1 562 560	1 370 350
> 365 days	9 156 087	7 707 933
	12 250 398	10 450 031

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
6. Trade receivables (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	583 755	411 919
31 - 60 days	499 667	286 017
61 - 90 days	627 470	411 553
91 - 120 days	569 746	373 328
121 - 365 days	3 637 584	2 770 122
> 365 days	22 517 207	19 597 164
	<hr/>	<hr/>
	28 435 429	23 850 103
Less: Allowance for impairment	(24 206 813)	(23 133 296)
	<hr/>	<hr/>
	4 228 616	716 807
Industrial/ commercial		
Current (0 -30 days)	2 218 277	2 547 376
31 - 60 days	898 354	906 222
61 - 90 days	235 254	192 908
91 - 120 days	113 273	174 701
121 - 365 days	390 553	719 133
> 365 days	2 538 704	2 972 850
	<hr/>	<hr/>
	6 394 415	7 513 190
Less: Allowance for impairment	(3 591 595)	(2 911 933)
	<hr/>	<hr/>
	2 802 820	4 601 257
National and provincial government		
Current (0 -30 days)	995 116	502 401
31 - 60 days	907 167	263 509
61 - 90 days	537 673	238 116
91 - 120 days	563 359	219 270
121 - 365 days	12 575 977	9 782 238
> 365 days	26 102 537	15 400 247
	<hr/>	<hr/>
	41 681 829	26 405 781
Reconciliation of allowance for impairment		
Balance at beginning of the year	(26 045 229)	(32 119 582)
Contributions to allowance	(1 753 180)	-
Debt impairment written off against allowance	-	6 074 353
	<hr/>	<hr/>
	(27 798 409)	(26 045 229)
Consumer debtors past due but not impaired		
Consumer debtors which are less than 3 months past due are not considered to be impaired. At 30 June 2017, R - (2016: R -) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	2 318 876	2 055 062
2 months past due	1 166 953	1 189 276
3 months past due	795 790	1 083 087

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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6. Trade receivables (continued)

Consumer debtors impaired

As of 30 June 2017, consumer debtors of R 34 093 324 (2016: R 26 045 229) were impaired and provided for.

The amount of the provision was R 34 093 324 as of 30 June 2017 (2016: R 26 045 229).

The ageing of these debtors is as follows:

3 to 6 months	2 015 572	1 407 072
Over 6 months	32 077 752	24 638 157

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 250	1 250
Bank balances	3 970 948	6 215 224
Short-term deposits	68 065 998	42 194 080
	72 038 196	48 410 554

Short-term deposits represent investments held at various financial institutions. An investment register detailing these accounts is available at the municipal offices.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
Nedbank - Current Account (Main) - 1011292106	4 508 059	8 156 953	9 688 467	3 140 400	5 742 709	(6 289 863)
Standard Bank - Current Account - 060435224	208 863	155 231	7 211 214	208 863	155 231	7 211 214
First National Bank - Current Account - 62108495187	621 687	317 284	7 531 444	621 687	317 284	7 532 044
Standard Bank - Call Account 68600704/001	17 155 059	7 855 059	5 955 059	17 155 059	7 855 059	5 955 059
Standard Bank - 60 Day Notice Account - 68600704/002	9 360 589	8 865 185	8 443 481	9 360 589	8 865 185	8 443 481
First National Bank - Money Market - 62108496573	6 106 382	6 108 042	709 285	6 106 382	6 108 042	709 285
Nedbank - Call Account 03/7881006129/000004	15 918 256	12 215 456	454 279	15 918 256	12 215 456	454 279
Nedbank - Call Account 03/7881096624/000001	2 346 547	1 000	3 092 600	2 346 546	1 000	3 092 600
Nedbank - Call Account 03/7881120797/000001	920 762	1 000	1 000	920 762	1 000	-
Nedbank - 32 day Notice 03/7881006129	5 024 371	4 700 000	4 700 000	5 024 370	4 700 000	-
First National Bank - Money Market - 62175310045	164 564	164 639	918 536	164 564	164 639	918 536
First National Bank - Money Market - 62215611121	1 673 386	1 673 405	1 848 944	1 673 386	1 673 405	1 848 944
First National Bank - Money Market - 62286478906	509 362	610 294	609 832	509 362	610 294	609 832
Nedbank - Call Account 03/7881127902	3 242 698	-	-	3 242 698	-	-
Nedbank - Call Account 03/7881134496/000001	1 000 000	-	-	1 000 000	-	-
Nedbank - Call Account 03/7881134550	4 644 022	-	-	4 644 022	-	-
Total	73 404 607	50 823 548	51 164 141	72 036 946	48 409 304	30 485 411

8. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	21 367 900	-	21 367 900	21 614 400	-	21 614 400

Reconciliation of investment property - 2017

	Opening balance	Disposals	Total
Investment property	21 614 400	(246 500)	21 367 900

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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8. Investment property (continued)

Reconciliation of investment property - 2016

	Opening balance	Total
Investment property	21 614 400	21 614 400

Investment Property Information

All of the municipality's investment properties are held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality and are held for capital appreciation.

There are no restrictions on the reliability of investment property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on investment property.

A register of Investment property is available at the municipal offices.

The effective date of revaluations was 1 July 2013.

The valuation was performed using data based on arms length transactions and related market evidence.

This was done by an independent and professional valuer with the Registration Number 3550/09 by the name of Kwasi Agyabon Boateng who has a Bsc Honours Land Economy.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality

Rental revenue from investment property	710 213	587 861
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9. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	62 746 329	(7 335 580)	55 410 749	60 380 610	(6 125 407)	54 255 203
Land	18 157 142	-	18 157 142	18 157 142	-	18 157 142
Infrastructure	472 897 708	(118 484 471)	354 413 237	426 422 916	(103 013 771)	323 409 145
Community	101 785 936	(29 228 572)	72 557 364	100 379 368	(25 565 707)	74 813 661
Other property, plant and equipment	53 457 228	(20 796 137)	32 661 091	50 835 889	(17 626 789)	33 209 100
Capital under construction	256 517 613	-	256 517 613	178 435 393	-	178 435 393
Total	965 561 956	(175 844 760)	789 717 196	834 611 318	(152 331 674)	682 279 644

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Other changes	Depreciation	Total
Buildings	54 255 203	1 063 980	-	1 301 739	-	(1 210 173)	55 410 749
Land	18 157 142	-	-	-	-	-	18 157 142
Infrastructure	323 409 145	2 470 856	-	44 003 935	-	(15 470 699)	354 413 237
Community	74 813 661	236 647	(96 518)	1 271 980	-	(3 668 406)	72 557 364
Other property, plant and equipment	33 209 101	4 483 543	(1 063 618)	211 000	-	(4 178 937)	32 661 089
Capital under construction	178 435 393	129 977 230	-	(46 788 654)	(5 106 356)	-	256 517 613
	682 279 645	138 232 256	(1 160 136)	-	(5 106 356)	(24 528 215)	789 717 194

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	55 087 045	-	-	312 823	(1 144 665)	54 255 203
Land	18 157 142	-	-	-	-	18 157 142
Infrastructure	295 765 995	3 720 243	(352 762)	38 314 460	(14 038 791)	323 409 145
Community	75 557 810	1 064 309	-	1 780 659	(3 589 117)	74 813 661
Other property, plant and equipment	33 058 705	4 243 576	(267 830)	-	(3 825 350)	33 209 101
Capital under construction	126 368 070	92 475 265	-	(40 407 942)	-	178 435 393
	603 994 767	101 503 393	(620 592)	-	(22 597 923)	682 279 644

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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9. Property, plant and equipment (continued)

Revaluations

Land is re-valued independently every 5 years.

The valuation was performed using data based on arms length transactions.

These assumptions were based on current market conditions.

The valuation of land was done through the process of creating a new valuation roll as per the requirements of the Municipal Property Rates Act. The new valuation roll was effective from 1st July 2013 and the revaluation of Land was accordingly done.

Reconciliation of Work-in-Progress 2017

	Included within Infrastructure	Included within Buildings	Included within Community Assets	Total
Additions/capital expenditure	194 595 913	36 587 899	25 333 801	256 517 613

Reconciliation of Work-in-Progress 2016

	Included within Infrastructure	Included within Buildings	Included within Community Assets	Total
Additions/capital expenditure	126 522 994	32 341 708	19 570 691	178 435 393

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

10. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 965 883	(1 354 301)	2 611 582	1 283 681	(862 941)	420 740

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software	420 740	2 741 200	(550 358)	2 611 582

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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10. Intangible assets (continued)

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software	672 497	(251 757)	420 740

Other information

There is a register containing the information required by Section 63 of the MFMA which is available for inspection at the registered office of the Municipality:

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
11. Finance lease obligation		
Minimum lease payments due		
- within one year	193 834	-
- in second to fifth year inclusive	242 293	-
	436 127	-
less: future finance charges	(9 712)	-
Present value of minimum lease payments	426 415	-
Present value of minimum lease payments due		
- within one year	187 225	-
- in second to fifth year inclusive	239 190	-
	426 415	-
Non-current liabilities	239 190	-
Current liabilities	187 225	-
	426 415	-

It is municipality policy to lease certain [property]motor vehicles and equipment under finance leases.

The average lease term was x-y years and the average effective borrowing rate was -% (2016: -%).

Interest rates are at the contract date. All leases and .

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note .

12. Payables from exchange transactions

Trade payables	13 773 145	15 337 660
Leave pay accrual	6 523 698	6 036 549
Income received in advance	3 426 114	2 093 162
Payments received in advance	-	2 001 657
Other creditors	2 866 805	2 858 969
Bonus accrual	1 592 777	1 457 178
	28 182 539	29 785 175

The average credit period on purchases is 30 days from the receipt of the statement, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

Income received in advance is due to payments received for hall hire and prepaid electricity

Staff leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date.

The management of the municipality is of the opinion that the carrying value of creditors approximate their fair values.

Bonus accrual is calculated on a 13th cheque attributable to all staff.

13. Consumer deposits

Electricity	282 166	278 959
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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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13. Consumer deposits (continued)

Consumer deposits are paid by consumers on application for new electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account. No interest is paid on consumer deposits held.

The management of the municipality is of the opinion that the carrying value of consumer deposits approximate their fair values. The fair value of consumer deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Provincial government grants	63 798	163 798
Local government	68 145	2 332 783
Library upgrade	1 071 959	815 700
Spatial development	43 865	142 161
LED projects	506 536	506 536
Smart meter grant	1 000 000	-
Other grants	422 523	69 379
	3 176 826	4 030 357

Refer to note 25 for reconciliation of grants and receipts.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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15. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Change in discount factor	Total
Environmental rehabilitation	11 352 032	-	597 165	11 949 197
Provision for long service award	2 690 443	305 998	-	2 996 441
Performance bonus	789 008	6 237	-	795 245
	14 831 483	312 235	597 165	15 740 883

Reconciliation of provisions - 2016

	Opening Balance	Additions	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Environmental rehabilitation	10 786 183	-	565 849	-	11 352 032
Provision for long service award	2 236 392	454 051	-	-	2 690 443
Performance bonus	904 937	-	-	(115 929)	789 008
	13 927 512	454 051	565 849	(115 929)	14 831 483

Non-current liabilities	14 556 051	13 652 888
Current liabilities	1 184 832	1 178 595
	15 740 883	14 831 483

Performance Bonus

Performance bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Long Service

The municipality has an obligation to provide long-service allowance benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current conditions of service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 5 years and every 5 years thereafter of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

Environmental rehabilitation provision

The minimum requirements for waste disposal by landfill as stated by the Department of Water Affairs and Forestry, "All land fills, except those closed prior to August 1990 when the permitting system came into effect, must be permitted before they can be legally closed. Closure will involve, inter alia, the application of final cover, top soiling, vegetating, drainage maintenance and leachate management."

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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15. Provisions (continued)

The financial implications for the rehabilitation of the landfill site were performed by ADV. C P Herbst, who is a mineral and environmental law consultant. This was carried out on the 16 July 2016 for the effective date, 30 June 2017. Currently no appointment for the closure has been made, and therefore estimates have been compiled. The provision is based on a 15 year estimation.

Landfill sites generally fall into 3 categories, which are separated by the size of the landfill, the type of waste and the amount of leachate produced. The land fill site closure design is based on it falling in the G:S:B+ formation which has the following capping layers:

- 200mm Topsoil
- 300mm Compacted clay

In calculating the provision for rehabilitation, the following four items have been included:

Direct contract costs - this equates to a unit cost of 90 rand per square meter based on previous closure of the Ducats landfill. Unit costs are used to estimate rehabilitation costs until a service provider is appointed to perform an investigation and design

Indirect professional fees - these fees are fixed and are based on a percentage of the contract.

Indirect disbursements - These are estimated by obtaining quotations from third party service providers for similar works.

Escalation has also been considered and included in the costs.

The monetary value for the provision for the landfill site at 30 June 2017 is R 11 949 197 (2016: 11 352 032)

16. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Long term portion of Health Care Benefit Liability	10 130 854	10 505 208
Current portion of Health Care Benefit	361 990	284 088
	10 492 844	10 789 296

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	10 789 296	8 698 503
Liabilities extinguished on settlements	(160 230)	(438 151)
Net expense recognised in the statement of financial performance	(136 222)	2 528 944
	10 492 844	10 789 296

Net expense recognised in the statement of financial performance

Current service cost	1 035 871	903 746
Interest cost	970 185	776 106
Actuarial (gains) losses	(2 142 278)	849 092
	(136 222)	2 528 944

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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16. Employee benefit obligations (continued)

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the results of the Medical Aid Funds, with which the municipality is associated a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2017 by Chanan Weiss of ARCH Actuarial Consulting, fellow of the faculty of Actuaries and Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Key assumptions used

Assumptions used at the reporting date:

Average retirement age	63	63
Discount rates used	9,72 %	9,11 %
Health care cost inflation rate	7,98 %	8,19 %
Net effective discount rate	1,60 %	0,85 %

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	2 454 300	1 659 700
Effect on defined benefit obligation	12 461 000	8 940 000

Amounts for the current and previous four years are as follows:

	2017 R	2016 R	2015 R	2014 R	2013 R
Defined benefit obligation	10 492 844	10 789 296	8 698 503	7 459 676	6 218 312
Surplus (deficit)	(10 492 844)	(10 789 296)	(8 698 503)	(7 459 676)	(6 218 312)

17. Revaluation reserve

Opening balance	89 919 413	92 755 710
Transfer from Revaluation Reserve To Accumulated Surplus	(2 834 103)	(2 836 297)
	87 085 310	89 919 413

The revaluation reserve arose on the revaluation of land and buildings and infrastructure asset in prior periods. Where revalued land and buildings and infrastructure assets are sold, the portion of the revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to accumulated surplus. The revaluation reserve is also realised through the transfer of depreciation on revalued assets to accumulated surplus. Distribution from the revaluation reserve can be made where they are in accordance with the requirements of the municipality's accounting policy and relevant case law. The payment of cash distribution out of the reserve is restricted by the terms of the municipality's accounting policy. These restrictions do not apply to any amounts transferred to accumulated surplus. The council does not currently intend to make any distributions from the revaluation reserve.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
18. Revenue		
Service charges	56 151 228	54 644 655
Rental of facilities and equipment	710 213	587 861
Licences and permits	2 106 074	2 394 906
Other income	5 551 503	1 868 081
Interest received - investment	14 266 232	9 672 003
Property rates	25 919 327	24 193 575
Government grants & subsidies	313 779 565	264 756 645
Public contributions and donations	39 000	30 000
Fine receipts	2 251 410	2 737 103
	420 774 552	360 884 829
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	56 151 228	54 644 655
Rental of facilities and equipment	710 213	587 861
Licences and permits	2 106 074	2 394 906
Other income	5 551 503	1 868 081
Interest received - investment	14 266 232	9 672 003
	78 785 250	69 167 506
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	25 919 327	24 193 575
Transfer revenue		
Government grants & subsidies	313 779 565	264 756 645
Public contributions and donations	39 000	30 000
Fine receipts	2 251 410	2 737 103
	341 989 302	291 717 323
19. Service charges		
Sale of electricity	47 493 760	47 025 258
Refuse removal	8 657 468	7 619 397
	56 151 228	54 644 655
The amounts disclosed above for revenue from service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.		
20. Rental of facilities and equipment		
Hall Hire	139 175	128 935
Housing Rental	10 066	-
Farm Rental	76 259	78 678
Site Rental	447 061	359 334
Stadium Hire	37 652	20 914
	710 213	587 861
21. Licenses and permits		
Drivers licenses	2 099 097	2 392 941
Business licenses	6 977	1 965
	2 106 074	2 394 906

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
22. Other income		
Nature reserve chalets	21 804	15 896
Electricity connections	132 599	329 115
Service connections	6 481	-
Sundry services	236 632	691 076
Rezoning certificates	735	-
Pool fees	45 342	31 855
Nature reserve annual licence	12 089	3 130
Nature reserve daily fishing	8 317	8 234
Rates certificates	1 605	3 175
Building exemption certificates	29 693	14 519
Building plans	138 407	211 650
Provision for movement in performance bonuses	296 452	131 191
Photo copies	209	1 018
Plant hire	3 808 176	1 697
Pound fees	217 607	146 450
Cemetery fees	58 408	48 829
Tender documents	498 718	201 347
Nature reserve income	-	1 423
Driveway hardening	18 093	8 487
Special consent	9 679	13 082
Demolition fees	10 457	5 907
	5 551 503	1 868 081

The amounts disclosed above for other income are in respect of services rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

23. Investment revenue

Investment revenue

Interest on short-term bank deposits	7 060 637	4 279 192
Loans and receivables	7 205 595	5 392 811
	14 266 232	9 672 003

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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24. Property rates

Rates received

Residential	25 919 327	24 193 575
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Supplementary assessment rates are levied on the value of land and improvements, for which a valuation is performed every five years. Valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A new valuation roll has been implemented from 1 July 2013.

Valuations

Residential	1 005 074 750	995 149 350
Commercial	782 746 864	760 269 864
State	564 224 509	564 224 509
Vacant land	28 613 000	28 838 500
Municipal and Local Government (Rural)	674 036 639	674 584 639
Exempted properties	307 063 288	340 897 288
	3 361 759 050	3 363 964 150

A general rate of R0.009123 (2016: R0.008689) is applied to residential property valuations and R0.010426 (2016: R0.010948) to commercial property valuations to determine assessment rates. Rebates of 35% (2016: 35%) are granted to residential property owners and 10% (2016: 10%) to commercial property owners.

A general rate of R0.002281 (2016: R0.002172) is applied on agricultural/farm properties/land and a rebate of 65% (2016: 65%) are granted to agricultural/farm properties/land.

Rates are levied on an annual basis with the final date for payment being 30 September 2017 (30 September 2016). Interest at 18% per annum (2016: 18%) and a collection fee of 0% (2016: 0%), is levied on rates outstanding two months after due date.

Agricultural rates increased by 5% to R0.002281 (2016: R0.002172)

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
25. Government grants and subsidies		
Operating grants		
Equitable share	170 266 000	176 181 000
Human settlements	675 055	664 726
	170 941 055	176 845 726
Capital grants		
National: FMG Grant	1 625 000	1 600 000
National: MIG Grant	47 012 000	49 867 144
National: MSIG Grant	-	930 000
National: DoE Electrification Grant	80 000 000	30 000 000
Smart Metering Grant	9 000 000	-
Assets Grant	100 000	-
Provincial: Capacity Building	-	9 793
Incentive Grant	1 790 000	1 780 000
Provincial: Treasury	-	165
Provincial: DEAT	-	100 979
Provincial: Seeta	176 742	170 782
Music Festival	250 000	400 000
Other Grants	31 855	199 456
Fire Project	378 093	-
Spatial Development	98 296	141 039
Grain Storage	-	307 484
Asset Register Grant	-	2 359 161
Desrac Grant	143 741	44 916
Election IEC	2 232 783	-
	142 838 510	87 910 919
	313 779 565	264 756 645

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

National: FMG grant

Current-year receipts	1 625 000	1 600 000
Conditions met - transferred to revenue	(1 625 000)	(1 600 000)
	-	-

Conditions still to be met - remain liabilities (see note 14).

National: MIG grant

Current-year receipts	47 012 000	49 867 144
Conditions met - transferred to revenue	(47 012 000)	(49 867 144)
	-	-

Conditions still to be met - remain liabilities (see note 14).

National: MSIG grant

Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(930 000)
	-	-

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
25. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 14).		
National: DoE Electrification grant		
Current-year receipts	80 000 000	30 000 000
Conditions met - transferred to revenue	(80 000 000)	(30 000 000)
	-	-
Conditions still to be met - remain liabilities (see note 14).		
Provincial government		
Balance unspent at beginning of year	163 798	163 962
Conditions met - transferred to revenue	(100 000)	(164)
	63 798	163 798
Conditions still to be met - remain liabilities (see note 14).		
Local Government		
Balance unspent at beginning of year	2 332 783	1 242 575
Current-year receipts	-	1 100 000
Conditions met - transferred to revenue	(2 264 638)	(9 792)
	68 145	2 332 783
Conditions still to be met - remain liabilities (see note 14).		
Library Upgrade		
Balance unspent at beginning of year	815 700	572 616
Current-year receipts	400 000	288 000
Conditions met - transferred to revenue	(143 741)	(44 916)
	1 071 959	815 700
Conditions still to be met - remain liabilities (see note 14).		
Spatial Development		
Balance unspent at beginning of year	142 161	283 200
Conditions met - transferred to revenue	(98 296)	(141 039)
	43 865	142 161
Conditions still to be met - remain liabilities (see note 14).		
Incentive Grant		
Current-year receipts	1 790 000	1 780 000
Conditions met - transferred to revenue	(1 790 000)	(1 780 000)
	-	-
Conditions still to be met - remain liabilities (see note 14).		

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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25. Government grants and subsidies (continued)

LED Projects

Balance unspent at beginning of year	506 536	607 515
Conditions met - transferred to revenue	-	(100 979)
	506 536	506 536

Conditions still to be met - remain liabilities (see note 14).

Provincial: Seta

Current-year receipts	176 742	170 782
Conditions met - transferred to revenue	(176 742)	(170 782)
	-	-

Conditions still to be met - remain liabilities (see note 14).

Smart metering grant

Current-year receipts	10 000 000	-
Conditions met - transferred to revenue	(9 000 000)	-
	1 000 000	-

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

Other Grants

Balance unspent at beginning of year	69 379	268 835
Current-year receipts	1 406 292	-
Conditions met - transferred to revenue	(1 053 148)	(199 456)
	422 523	69 379

Conditions still to be met - remain liabilities (see note 14).

26. Public contributions and donations

Donations	39 000	30 000
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27. Fine receipts

Library fines	-	42
Traffic fines	584 545	1 292 215
Traffic licenses	1 666 865	1 444 846
	2 251 410	2 737 103

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
28. Employee related costs		
Basic	59 082 728	59 848 261
Bonus	3 158 678	2 682 020
Medical aid - company contributions	2 437 296	2 097 115
UIF	489 657	484 563
WCA	865 018	-
SDL	30 360	30 668
Leave pay provision charge	2 215 620	1 601 633
Provision for long service	-	916 752
Defined contribution plans	7 738 279	7 022 293
Overtime payments	1 665 923	2 111 326
Acting allowances	109 736	37 000
Car allowance	2 996 739	2 646 871
Housing benefits and allowances	2 438 702	1 197 653
	83 228 736	80 676 155

Remuneration of Municipal Manager

Annual Remuneration	1 274 015	1 173 316
Car Allowance	240 000	255 000
Performance Bonuses	-	120 139
Contributions to UIF, Medical and Pension Funds	1 785	1 785
	1 515 800	1 550 240

Dr D.C.T Nakin served as Municipal Manager for the entire period under review.

Remuneration of Chief Financial Officer

Annual Remuneration	715 090	887 598
Car Allowance	157 500	210 000
Back Pay	226 663	-
Contributions to UIF, Medical and Pension Funds	1 605	1 785
	1 100 858	1 099 383

Mr Ndzelu was the Chief Financial Officer until 31/03/2017 and re-appointed on the 01/04/2017.

Remuneration of Corporate Services Manager

Annual Remuneration	1 001 454	933 961
Car Allowance	162 000	163 636
Contributions to UIF, Medical and Pension Funds	1 785	1 785
	1 165 239	1 099 382

Mr L.T. Somtseu was the Corporate Services Manager for the entire period under review.

Remuneration of Community Services Manager

Annual Remuneration	483 854	674 665
Car Allowance	125 000	240 000
Backpay	56 081	-
Contributions to UIF, Medical and Pension Funds	1 487	1 636
Remote Allowance	29 684	-
	696 106	916 301

MR SM Mbedla was the acting Community Services Manager from 01/09/2016 to 31/11/ 2016. He was subsequently appointed from 01/12/2016 on a full time basis.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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28. Employee related costs (continued)

Remuneration of the EDP Manager

Remuneration of the EDP Manager	321 196	-
Car Allowance	75 000	-
Company Contributions to UIF, Medical and Pension Funds	892	-
Remote Allowance	12 722	-
Remuneration of the EDP Manager (Mr V Ndaba) Allowance for acting position	-	91 680
Remuneration of the EDP Manager (Mrs B Ntloko) Allowance for acting position	-	56 523
	409 810	148 203

Mrs V Matela was acting as EDP Manager from September 2016 to February 2017.

Remuneration of the Infrastructure Manager

Annual Remuneration	935 454	869 598
Housing allowance	132 000	96 000
Car Allowance	96 000	132 000
Contributions to UIF, Medical and Pension Funds	1 785	1 785
	1 165 239	1 099 383

Mr M. Somi was the Infrastructure Manager for the entire period under review.

Staff leave benefits

Municipal Manager	262 000	174 268
Chief Financial Officer	20 919	47 181
Corporate Services Manager	161 471	126 146
Community Services Manager	43 189	-
Infrastructure Manager	196 861	140 582
	684 440	488 177

29. Remuneration of councillors

Mayor	522 216	568 359
Speaker	440 119	209 721
Chief Whip	430 687	426 229
MPAC Chair	371 901	397 891
Executive Committee	2 873 422	2 615 173
Councillors	6 653 251	6 491 883
Company contributions to UIF, medical aid and pension fund	732 520	723 525
Sundry Allowances (Cellular phones, housing and vehicles)	4 869 844	5 064 146
	16 893 960	16 496 927

30. Remuneration of traditional leaders

Remuneration of traditional leaders	432 670	378 000
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31. Depreciation and amortisation

Property, plant and equipment	24 528 213	22 597 920
Intangible assets	550 358	251 758
	25 078 571	22 849 678

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
32. Finance costs		
Finance leases	7 318	-
Late payments	33 668	5 439
	40 986	5 439
33. Debt impairment		
Contributions to debt impairment provision	1 939 064	6 682 271
34. Repairs and maintenance		
Repairs on buildings	1 764 892	1 441 659
Repairs on equipment	280 004	388 152
Repairs on mains	981 295	1 032 494
Repairs on plant and vehicles	1 930 963	1 389 276
Repairs on roads	6 607 179	6 902 538
Repairs on streetlights	158 559	136 001
	11 722 892	11 290 120
35. Bulk purchases		
Electricity	36 713 653	34 110 668
Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to consumers. Electricity is purchased from Eskom. The municipality incurred electricity line losses of R1 691 411.91 at a percentage of 7.1% (2016: 4.54%) in the current year. The technical losses is R1 071 993.37 (4.5%) and the non-technical losses are R 619 418.54 (2.60%)		
Water is supplied directly to residents and businesses by the district municipality.		
36. Contracted services		
Maintenance Agreements	22 496 020	15 099 373
37. Conditional grants - Operating expenditure		
Grants paid for projects and IDP		
Human settlements capacity	675 055	-
IDP	31 855	145 004
Desrac grant	143 741	44 916
Election grant	1 958 601	-
Mokhosi milling project	-	100 979
Small town and rural village	-	46 273
EPWP incentive	1 790 000	1 780 000
Music festival	219 298	400 000
SEETA	176 742	170 782
Other grants and subsidies paid	1	165
	4 995 293	2 688 119

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
37. Conditional grants - Operating expenditure (continued)		
Grants paid for projects and IDP		
FBS electricity	9 506 049	7 981 192
LED	-	17 972
FBS refuse	1 707 477	1 549 897
MIG salaries	2 312 380	1 753 784
Asset register	100 000	-
MSIG	-	816 404
FMG	1 503 458	1 498 865
Spatial development	98 296	141 039
FAR, revenue & exp enhancement	-	2 069 439
	15 227 660	15 828 592
	20 222 953	18 516 711
38. General expenses		
Advertising	2 008 828	2 040 433
Auditors remuneration	3 103 319	3 531 853
Bank charges	268 649	281 031
Consulting and professional fees	15 133 406	14 963 153
Consumables	995 374	2 535 785
Entertainment	105 000	-
Hire	88 866	156 250
Insurance	864 693	795 026
Conferences and seminars	3 176 050	1 662 592
Motor vehicle expenses	140 448	87 054
Fuel and oil	1 620 184	2 532 631
Postage and courier	142 791	135 517
Printing and stationery	1 539 150	1 032 380
Project maintenance costs	6 269 812	5 503 118
Subscriptions and membership fees	1 924 689	1 931 798
Telephone and fax	2 030 289	2 564 758
Training	2 028 047	2 536 487
Electricity	203 499	656 223
Uniforms	1 123 072	495 762
Delegates expenses	6 851 395	6 473 784
Town planning	474 724	-
Obsolete stock written off	7 011	2 657
Public participation	2 918 147	217 301
Resealing	-	1 312 145
Contribution to bonus and post retirement provision	725 210	2 090 793
Other expenses	261 099	382 048
Venue expenses	369 568	129 569
Chemicals	79 557	109 253
	54 452 877	54 159 401

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
39. Cash generated from operations		
Surplus	146 746 753	99 768 530
Adjustments for:		
Depreciation and amortisation	25 078 571	22 849 678
Loss on sale of assets and liabilities	208 252	285 707
Finance costs - Finance leases	7 318	-
Debt impairment	1 939 064	6 682 271
Movements in retirement benefit assets and liabilities	(296 452)	2 090 793
Movements in provisions	909 400	903 971
Write back of stale cheques	45 958	11 850
Changes in working capital:		
Inventories	202 774	(289 896)
Consumer debtors	(18 928 486)	(20 200 390)
Other receivables from non-exchange transactions	1 782 021	397 635
Prepayments	859 291	(309 008)
Payables from exchange transactions	(1 602 636)	1 610 538
VAT	1 775 757	7 082 443
Consumer deposits	3 207	(16 725)
Unspent conditional grants and receipts	(853 531)	(1 774 991)
	157 877 261	119 092 406

40. Unauthorised expenditure

There is no unauthorised expenditure in the current year.

41. Audit fees

Fees	3 103 319	3 531 853
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42. Risk management

Financial risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 30 June	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	28 182 539	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Trade receivables	48 713 265	31 723 843
Nedbank	3 140 400	5 742 709
Standard Bank	208 863	155 231
First National Bank	621 687	317 284
Short term investments	68 065 998	42 194 080

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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43. Events after the reporting date

Dr Nakin was the Municipal Manager during the period under review however his contract expired on 8 August 2017. Mr M Somi was then appointed as the acting Municipal Manager on 8 August 2017.

44. Fruitless and wasteful expenditure

Opening balance	5 439	2 331
Fruitless and wasteful expenditure - current year	33 755	5 439
Less: amounts approved for write-off by council	-	(2 331)
	39 194	5 439

All fruitless and wasteful expenditure incurred was as a result of interest / penalties charged on late payments. A schedule of these items are available at the municipal offices.

45. In-kind donations and assistance

The municipality was not engaged in any transaction or event during the year under review involving in-kind donations.

46. Financial instruments disclosure

Categories of financial instruments

2017

Financial assets

	At fair value	At amortised cost	Total
Trade Receivables	-	5 903 089	5 903 089
Other receivables from non-exchange transactions	-	13 709 035	13 709 035
Consumer debtors	-	76 511 674	76 511 674
Cash and cash equivalents	72 038 196	-	72 038 196
	72 038 196	96 123 798	168 161 994

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	28 182 539	28 182 539

2016

Financial assets

	At fair value	At amortised cost	Total
Trade receivables	-	7 682 278	7 682 278
Other receivables from non-exchange transactions	-	15 305 170	15 305 170
Consumer debtors	-	57 769 072	57 769 072
Cash and cash equivalents	48 410 554	-	48 410 554
	48 410 554	80 756 520	129 167 074

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	29 785 175	29 785 175

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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47. Operating lease

The Municipality had the following operating leases in the current year:

Kokstad Copiers - The lease is held on a monthly basis. No outstanding commitment exists.

Konica Minolta - The lease is held on a monthly basis. No outstanding commitment exists.

Nedbank - The lease is held on a monthly basis. No outstanding commitment exists.

Telkom:

Within one year:	R483 729
In the second to fifth year inclusive:	R322 486

Kokstad Copiers lease 2- for a period of 36 months. At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Within one year :	R48 411
In the second to fifth year inclusive:	R8 068

Aloe Office - for a period of 36 months. At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Within one year :	R102 120
In the second to fifth year inclusive:	R110 630

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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48. Contingencies

LIABILITIES

Two sisters CC vs Matatiele Local Municipality

The municipality is being sued for non payment of a service provider. The estimated cost for the suit is R300 000.

Bigen Africa Service Pty (Ltd) vs Matatiele Local Municipality

The municipality is being sued due to a contractual dispute. The estimated cost for the suit is R1 000 000.

Rashida Shaikh vs Matatiele Local Municipality

The estimated cost for the suit is R750 000.

Salathiso Ntabeni & others vs Matatiele Local Municipality

The estimated cost for the suit is R300 000.

Mrs Matshoba & others vs Matatiele Local Municipality

Mrs Matshoba and others declared a dispute against the municipality for unfair dismissal. The estimated cost for the suit is R800 000.

ML Hans vs Matatiele Local Municipality

Mr Hans applied for a civil claim against the municipality regarding the unlawful impoundment of his motor vehicle. The estimated cost of the suit is R30 000.

Diko van der Merwe vs Matatiele Local Municipality

The municipality is being sued for non payment by a service provider. The estimated cost of the suit is between R25 000 and R30 000.

Tripple N's, A Trading CC and 2 others vs Matatiele Local Municipality

The estimated cost of the suit is R1 623 145.67.

TCN Architects vs Matatiele Local Municipality

The municipality is being sued for non payment by a service provider. The estimated cost of the suit is between R100 000 and R150 000.

Branded Soul Productions CC vs Matatiele Local Municipality

The estimated cost of the suit is between R15 000 and R20 000.

ASSETS

Matatiele Local Municipality vs Striking Employees

The estimated cost for the suit is R20 000.

Matatiele Local Municipality vs Rashida Shaikh

The estimated cost for the suit is R1 300 000.

Matatiele Local Municipality vs Matshoba & others

The estimated cost of the suit is R600 000.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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48. Contingencies (continued)

Matatiele Local Municipality vs Vuyani Hamilton Sokupola & 66 others

The estimated cost of the suit is R25 000.

Matatiele Local Municipality vs Simphiwe Tidberry Mzozoyana

The estimated cost for the suit is R40 000.

Matatiele Local Municipality vs Mr K Klaas

Mr Klaas is charged with assault. The estimated cost for the suit is R30 000.

Matatiele Local Municipality vs CYA Sounds

The municipality instructed attorneys to claim an amount that was supposed to be paid to the municipality in terms of the contract entered into between the municipality and CYA Sounds. The estimated cost of the suit is R70 000.

Matatiele Local Municipality vs Strikers II

The estimated cost of the suit is R3 000.

Matatiele Local Municipality vs Pension Fund - Gayle O'Reilly

Ms O'Reilly was found guilty for embezzlement of municipal funds. The estimated cost of the suit is R 50 000.

Matatiele Local Municipality vs X Marbhubelela

Ms Marbhubelela was found guilty of embezzlement of municipal funds. The estimated cost of the suit is R20 000

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
49. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	105 612 963	63 351 539
Total capital commitments		
Already contracted for but not provided for	105 612 963	63 351 539
Authorised operational expenditure		
Already contracted for but not provided for		
• Cleaning services	1 179 470	4 136 346
• Waste Collection	1 906 336	5 521 633
• Landfill site	2 794 158	4 907 798
• Financial management support	4 664 892	5 831 960
• Performance management system	1 025 339	2 687 379
• Smart Metering	12 326 242	23 500 155
• Printing solutions	255 147	-
• Email Management, Archiving and Continuity	779 759	-
• Security services	19 609 362	-
• Financial management services	3 522 600	-
• Land parcels surveying	137 558	-
• Internal audit services	799 205	-
• Land surveying - residential	287 100	-
• Land surveying - commercial	264 816	-
• Laptops for councillors	613 698	-
• Vehicle tracking system	1 139 606	-
	51 305 288	46 585 271
Total operational commitments		
Already contracted for but not provided for	51 305 288	46 585 271

50. Related parties

Relationships

Community liaison officer	Spouse
Accountant - Payroll	Spouse

Xolani Faniso, spouse of the Community Liaison officer of the municipality, who is also a member of Bathokozeleni Trading CC, were appointed on the 13th January 2015 to provide services relating to grass cutting. Current year expenditure relating to the above amounted to R494 664. Xolani Faniso is also a member in Shakes and Xolanis Construction, who were appointed to perform construction at the Electric Depot. Current year expenditure incurred amounted to R1 281 088

Taelo Letseka, the spouse of the Accountant - Payroll of the municipality (1 November 2012 - Current), is a member of Sweet Dreams Trading who were appointed to provide grass cutting and cleaning services of various Municipal properties, the expenditure incurred amounted to R1 190 000

Notes to the Annual Financial Statements

Figures in Rand

51. Key Sources of Estimation Uncertainty and Judgements

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment
 Recoverable amounts of property, plant and equipment
 Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)
 Present value of defined benefit obligation
 Fair value of plan assets
 Provision for doubtful debts
 Impairment of assets
 Provision for long-term service award
 Contingencies

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets
 Provisions

52. Budget differences

Material differences between budget and actual amounts

Income

Property rates - This was due to not all the debtors paying for their accounts as anticipated
 Interest earned - This was due to more interest rates being offered by financial institutions than anticipated
 Fine receipts - This was due to less fines being issued during the financial year as anticipated
 Licences and permits - This was due to more interest on driving licences and permits being required during the financial year
 Other income - This was due to plant hire income that was received during the financial year
 Profit on sale of assets - This was due to sites that were sold during the previous year

Expenditure

Debt Impairment - Not all the debtors were treated as bad debts. Majority were able to pay for their accounts.
 Contracted services - Not all the contracted services were incurred to during the year
 Conditional grants - Operating expenditure - This was due to unconditional grants that were received but not fully spent during the financial year
 Contributions to capital outlay - This was due to not all anticipated capital projects were completed as anticipated

53. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	859 291	763 330
Amount paid - current year	(859 291)	(763 330)
	-	-

Audit fees

Opening balance	3 103 319	3 531 853
Amount paid - current year	(3 103 319)	(3 531 853)
	-	-

Notes to the Annual Financial Statements

Figures in Rand

53. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Opening balance	15 155 113	14 379 721
Amount paid - current year	(15 155 113)	(14 379 721)
	-	-

VAT

VAT receivable	5 903 089	7 678 846
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VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2017:

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
NA Ganya	-	33 162	33 162
WC Mdolomba	-	7 166	7 166
MN Mshuqwana	126	-	126
SM Mzozoyana	390	-	390
JG Van Whye	126	-	126
	642	40 328	40 970

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Supply chain management regulations - Deviations

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and be reported to Council for noting.

Incident

In an emergency	4 164 928	4 124 888
If such goods or services are produced or available from single provider only	1 126 668	419 623
In any other exceptional case where it is impractical or impossible to follow official procurement processes	24 882 962	22 521 019
	30 174 558	27 065 530

Appendix A

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
Loan Stock		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-

Appendix A

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
		-	-	-	-	-	-
		-	-	-	-	-	-
Bonds							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Other loans							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Lease liability							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Annuity loans							
		-	-	-	-	-	-
		-	-	-	-	-	-

Appendix A

Schedule of external loans as at 30 June 2010

[illegible]

Appendix B

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Land and buildings

Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Infrastructure

Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Community Assets

Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Other assets

General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Total property plant and equipment

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Agricultural/Biological assets

Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Intangible assets

Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Investment properties

Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Total

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Land and buildings

Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Infrastructure

Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Community Assets

Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Other assets

General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Total property plant and equipment

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Agricultural/Biological assets

Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Intangible assets

Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Investment properties

Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Total

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010 Cost/Revaluation Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Executive & Council/Mayor and Council	-	-	(12 618)	-	-	-	(12 618)	-	(12 618)	-	-	-	(12 618)	(25 236)
Finance & Admin/Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and Development/Economic Development/Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health/Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comm. & Social/Libraries and archives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety/Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection/Pollution Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Water Management/Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Transport/Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water/Water Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity /Electricity Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other/Air Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(12 618)	-	-	-	(12 618)	-	(12 618)	-	-	-	(12 618)	(25 236)
Municipal Owned Entities														
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total														
Municipality	-	-	(12 618)	-	-	-	(12 618)	-	(12 618)	-	-	-	(12 618)	(25 236)
Municipal Owned Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation							Accumulated Depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	(12 618)	-	-	-	(12 618)	-	(12 618)	-	-	-	(12 618)	(25 236)

Appendix D

Segmental Statement of Financial Performance for the year ended	
Prior Year	Current Year

[illegible]

Appendix D

Segmental Statement of Financial Performance for the year ended

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
			Rand			
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	12 062 540	(12 062 540)	Total	-	13 007 145	(13 007 145)